Learn how a major health system rapidly launched an additional talent pool and saved over 30% on contingent labor costs.

About Rochester Regional Health:

Based in Rochester, NY and with hospitals across New York State, Rochester Regional Health (RRH) supports over 1,300 beds following the joining of the Rochester General and Unity Health systems. RRH offers leading acute-care facilities and drives global innovation through its subsidiary, ACM Global Laboratories.

State of affairs

Hospitals across the U.S. grappled with staffing difficulties prior to COVID-19, and RRH was no exception. The system has relied on contingent labor for years, augmenting its workforce of CNAs, LPNs, RNs, and allied clinicians to address gaps. **The problem: RRH's contingent labor costs spiked 1900% through the pandemic.** With morale deteriorating and nurse leadership overloaded with staffing responsibilities, RRH sought a solution that could provide immediate cost relief, as well as a long-term strategy that could provide talent source reliability, task automation, and high levels of care quality.

> "Our team was managing and collaborating with the services of 25+ agencies, many requesting different bill rates. After talking with our agency nurses, we found that some agency markups were anywhere from 60% to 70%. Our traditional model was broken and expensive and we knew we needed to recapture control.

Jennifer Gales, MSN, BSN, RN
Chief Nursing Officer, Rochester Regional Health

Challenges

- Market rates for contingent talent have skyrocketed **115%** on average due to COVID

- Hard-to-staff areas are drawing exorbitant agency rates, with some fees exceeding **100%**

- Over **10%** of nurse leaders' time is spent on daily staffing needs rather than patient care

- Turnover of core employees reached **100.5%** on average throughout the pandemic

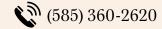- Hospital operating margins are forecasted to shrink as much as **133%** by the end of 2022

Sources of Challenge Statistics

Medical Economics
Kaufman Hall
SIA Staffing Industry Forecast
U.S. Bureau of Labor Statistics Job Openings & Labor Turnover Survey
United States National Institute of Health | National Library of Medicine

ProFlex
by Tallavera

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Objective

By white labeling Tallavera's proven ProFlex offering, collaboratively launch a dedicated RRH flexible talent pool that lowers labor costs to a feasible, long-lasting level – all while preserving patient outcomes and continuity of care.

The solution

RRH and Tallavera worked closely together to implement a three-step approach that would give back control to RRH for their agency spending. RRH would need more than raw recruitment power – they needed a comprehensive, total-system workforce management plan. This strategy would need to preserve important vendor relationships, retain and attract top talent, and guarantee continuity of patient care.

First, Tallavera supplied in-depth market research and analysis, poising RRH to take back control of their workforce. The partners collaborated on internal and external marketing and communications, ensuring existing vendors and internal stakeholders were aware of the program, including a new rate cap that prevented exorbitant fees on contingent labor while guaranteeing good pay for nursing talent.

Next, the partners launched "FlexForce", a system-specific Additional Resource Pool (ARP). Tallavera would serve as the Employer-on-Record while leveraging RRH's existing resources (like travel nurses, internal attrition-risk employees, and prior employees in good standing). With the previously expensive payrolling, HR, and compliance totally covered, RRH could greatly reduce the amount of time spent on external agency logistics.

Then, Tallavera would implement advanced proprietary technology – WAE – that would automate workflows across RRH, optimizing their internal systems and further reducing outside agency dependance. The 10% of time nurse leaders were spending on scheduling and credentialing was returned in full, resulting in more hours focused on patient care activities.

The approach addressed RRH leadership's exact pain points. Through careful analysis, powerful talent sourcing, and sophisticated technology, the strategy was a success. Within a few weeks, the RRH FlexForce pool was populated with top talent, and continues to grow thanks to Tallavera-powered infrastructure.

With RRH FlexForce, you can have the best of both worlds. Get agency rates and benefits, thriving in a system you love.

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Success metrics

>25% savings on travel nurse rates

$30M+ annual savings forecasted

>1.5M annualized hours covered

90%+ conversion rate

Outcomes

Today, RRH has a new dedicated program – FlexForce – that sits alongside their internal employees. This has drastically improved morale, as the reliance on short contract nurses from third-party agencies has dropped dramatically. By extension, clinician capability, as well as patient outcomes, have improved dramatically – RRH hospitals are once again feeling like the communities they were pre-COVID.

Tallavera was able to stabilize more than just FlexForce employees – by installing proprietary WAE technology, workflow efficiency skyrocketed, and annual contingent labor costs fell by 25% on average. RRH is forecasted to save over $30 million on contingent labor spend year-over-year, with Tallavera managing all sourcing, screening, and marketing, with no additional cost burden.

"We're now able to successfully staff to achieve the best outcomes for our team members and the patients we serve."

FAQs on RRH's ProFlex deployment

Did RRH consider an MSP instead?

Yes – in fact, some RRH hospitals actively use an MSP. Tallavera, and ProFlex Additional Resource Pools (ARPs), are <u>not</u> MSPs. We encourage systems to continue using their MSPs, as they're great for filing any final, outstanding gaps not addressed by internal employees or ARP talent. The advantage of using a ProFlex ARP vs. MSP headcount – MSPs, while they are great for consolidating vendors and communications in a single place, are incentivized to keep rates high (as the fee structure is based on top-line revenue. Because of this, MSP satisfaction rates have drop significantly over the past three years.

Can't RRH just do this themselves?

Yes, in fact, a ProFlex ARP is the first step towards an internal agency, or Internal Resource Pool (IRP). The benefit of a ProFlex ARP – they can be deployed immediately (with savings realized Shift #1), the Employer-on-Record services are covered (so no tax / benefits burden / liability), and it's fully external (which may relieve some pressure in the event of unionization). IRPs take a long time to successfully launch (typically 3+ years), and the workers will need to receive hospital standard benefits at a significantly higher cost.

How did RRH prevent all their core internal employees from moving to the ARP?

We capped the number of employees that can move over, all based on the vacancy rate of each individual unit.

How many contingent nurses did RRH have to manage? How did you handle them, onboarding wise?

RRH specifically had just shy of 1,000 contingent nurses in the first round of consideration. Because Tallavera is an Aboldco brand – one of the leading total-integrated workforce management companies – we can mass onboard tens of thousands of employees on to payroll very quickly thanks to our proprietary technology stack and in-house payroll, legal, quality, compliance, and HR teams.

Why can you charge less than RRH's current agencies?

The typical medical staffing agency was marking up travel nurse pay rates by anywhere from 45-90%. Tallavera ProFlex ARPs offers a drastically lower and transparent rate structure.

Why would a nurse join an ARP instead of core employment or another agency?

First, we collaboratively install a rate cap with other agency partners. This provides added bill rate transparency. Next, we offer ProFlex ARP nurses the best possible contingent labor rate within your health system. Finally, we offer "first choice" on travel openings to ProFlex nurses, prior to any other third-party resources.

What's stopping a nurse from going to another local hospital or system?

Some will – if a nurse is inclined to chase the highest possible market rate, this program isn't for them. There is a present – but declining – population of "true" travel nurses that will bounce system to system. ProFlex ARPs are additional resource pools specific to a system. It is targeted specifically at nurses who like working at your system and want to continue doing so but are tempted by higher pay.

How fast did RRH see savings?

Savings were immediate – as soon as someone goes to work, their rate will be realized as cost savings. We provide a regular reporting cadence to prove savings.

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